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SUBJECT: GEORGIAN LABOR UNIONS SEEK DIALOGUE WITH THE
GOVERNMENT

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1. On April 20, PolEcon deputy and Econoff met with approximately 20 trade union delegates to the Georgian Trade Unions Confederation (GTUC), representing almost 63,000 unionized workers from Telasi electricity distribution, BatumiTex Textiles, Adjara civil service, EnergyInvest (which operates the Azoti chemical plant in Rustavi), Rustavi city council, Abkhazia civil servants in exile, and auto transport, railway, construction, and subway trades. Absent at the meeting because of a schedule conflict were delegates representing over 100,000 teachers, whose union is the largest in Georgia. Most of the trade union delegates explained that since the Rose Revolution, their unions have grown as they have dismissed corrupt leadership, in tune with the government's crackdown on corruption. Much of the unions' growth comes from reactivation of members who were disenchanted with widespread corruption at the top of their organizations. Union delegates are participating in a series of three-day leadership training workshops, led by Robert Fielding of the AFL-CIO's Solidarity Center, based in Kyiv. Fielding is helping them to train their colleagues in the principles of democratic trade unionism, organizing and collective bargaining. Pol/Econ deputy told the delegates that the United States Embassy is not only interested in the issues of foreign business managers, but also in understanding the problems of workers and their unions. He emphasized that democratic trade unions play an important role in American politics and are one of the factors that helped to build the middle class in America.

2. GTUC President Irakli Petriashvili said the Confederation tries its best to defend workers' rights and not let populist political parties change the labor movement's goals. Delegates expressed strong support for the democratic development and economic stability of Georgia -- before even discussing economic goals or their problems with the Saakashvili government and with employers. Petriashvili said that many union members had asked him if it was a good idea to support Shalva Natelashvili's Labor Party's call for a nationwide strike to protest the government's new tax proposals (reftel). He said that he discouraged their participation because he views the demonstrations as an attempt by Natelashvili and others to exploit social issues as a way to power, not based on any sincere concern for workers. However, he warned that the government risks alienating workers if it ignores their concerns, and that

workers and their unions could fall for populist appeals such as Natelashvili's. The delegates themselves said they prefer to work toward political stability within the current system and that they recognize their stake in Georgian democratic reforms and the success of business in rebuilding the economy. Their main desire is that the government conduct a good faith dialogue with them.

13. Delegates said there is nothing that approximates the European style of tripartite social dialogue in Georgia. Although the majority of employees in most of their workplaces are unionized, their power is not commensurate with their large memberships. Only a minority of members are active in the labor movement. They believe the new Labor Code in Georgia skews the playing field excessively in the favor of employers -- mainly by permitting dismissal of workers for any reason without notice. (Note: Although this is true in the U.S., it is a departure from European and Soviet norms and therefore a shock to Georgian workers. End Note.) This allows management a free hand; for example, the management of the Tbilisi metro cancelled danger pay for tunnel workers after the Labor Code was passed and has induced more employees to work more than a 40-hour week. The delegates claimed that New Zealand has lost jobs as a result of its overly liberal labor code, and said Georgia may encounter similar problems. The delegates told of one success, however, when a Georgian judge ruled that the Ministry of Education is obligated to engage in collective bargaining with the teachers' union, setting a precedent for the government as a whole. They said that Minister of Education Kakha Lomaia is reputed to have remarked afterward that "Georgia does not need trade unions". He supposedly offered the victorious attorney for the teacher's union a job in the Ministry of Education at a much higher salary.

14. COMMENT. Fielding mentioned that during a recent meeting with State Minister for Reform Coordination Kakha Bendukidze, he was surprised at Bendukidze's openness to working with the

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Solidarity Center and Georgian labor representatives. Despite his reputation as a supporter of a free hand for business and a self-avowed libertarian, Bendukidze agreed that in the end, both the unions and the GoG have the same goals of democratic and political stability. We believe the labor unions will maintain their commitment to social stability for the time being, but their ability to keep labor peace may slowly erode if general economic conditions remain hard and the government is seen as continuously indifferent to the concerns of workers. The Embassy will continue to report on developments in the trade union movement. END COMMENT.
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